



439 territories, Austrian producers were forced to adapt their output to these new conditions. This was of course only possible through the painful process of making certain changes in the economic structure.

439 The main bases of Austrian trade, as vital then as now, were:

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- a) the abundance of forests which ensure timber for export as well as for the furniture-making and paper industries.
 - b) The deposits of iron ore which form the basis of iron and steel production and the iron-working industry.
 - c) The wealth of water in the alpine districts, constituting an extensive source of power which is being increasingly exported in addition to supplying Austrian industry with current.
 - d) The recently-discovered inland oil fields (at Zistersdorf).
 - e) The fashion and luxury-article industry, an export factor of increasing importance.
 - f) The credit balance of services (tourist trade and transit trade).

433 It is one of the characteristics of industrial-commercial production that Austria, as a result of her comparative lack of capital, should be at a disadvantage whenever it is a question of mass production. But wherever there is a chance for painstaking finishing, special skill or workmanship, as well as good taste and original ideas on the part of the producer to play a rôle, the prospects of success are excellent. It is not only, as is often mistakenly imagined, the fashion and luxury industries to which this applies, but all the many branches of manufacturing where it is the quality of the work which counts. These factors are strengthened by the prevalence of small concerns in Austria. Factories with up to 100 employees amount to 75 per cent of the total, those with 100 to 1000 employees to a little over 20 per cent, and the factories employing over 1000 persons to only 4.4 per cent.

652 After the stabilisation of the currency, production and export trade showed a favourable increase between the years 1923 and 1929. Production rose during this time by nearly one third. Then followed the general slump, especially 433 serious for Austria on account of her great dependence on export. The development which had begun so hopefully was now brought to a standstill through the 458 external crisis.

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Day, who transported his goods by one of the prescribed highways enjoyed, no matter whence he came, the local governor's protection for his person, his goods and his waggons, a truly enviable privilege in the unsettled times of the closing 13th and the 14th century.

During the Middle Ages it was open to anyone from every country to bring what goods he liked to the two great Vienna markets, with the

exception of wine and beer, which were available in abundance on the spot, and of excellent quality. People of every trade and every guild could sell and offer their wares freely.

After the Turkish Wars there was a fresh revival of Vienna market life in the 18th century. But then the discoveries of the weaving loom and the steam-engine began to take effect on production and trade. In the 19th century the railway rendered goods fairs superfluous and the markets began to be transformed into sample exhibitions.

The economic system of the Austro-Hungarian Monarchy was so well-balanced that it had at first no need of any special display of sample products within its frontiers. The exchange of goods between the agrarian and the industrial areas went on smoothly and although samples of all the products of the Empire were occasionally displayed at great exhibitions—Vienna owes the building of the Rotunde to the Great Exhibition of 1873—there was actually no need of special methods to advertise or boost them, for demand and supply were well adjusted, and connections between producers and their customers dated from the times of their fathers and grandfathers.

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After 1918 more than a third of Austria's population was engaged in industry and commerce, nearly a further third being occupied with agriculture and forestry. In both cases the small or medium sized concerns were predominant, a fact which explains the ability of Austrian economy to weather the storms of crises. It had never taken special measures to promote war industries. Never through war, but through the years of peace had the Empire prospered. When in 1866 Austria lost the war against Prussia it was because, despite the better training of her troops, the Austrian rifle was inferior to the Prussian.

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It is in concerns in which intensive labour and detail is important that the individual talent of the Austrian can find expression, not in great concerns resorting